

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 4, 2004**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 4, 2004, commencing at 7:00 a.m.

**A. ROLL CALL**

Present: Council Members – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

Absent: Council Members – None

Also Present: City Manager Flynn, Interim City Attorney Schwabauer, and Deputy City Clerk Taylor

**B. CITY COUNCIL CALENDAR UPDATE**

Deputy City Clerk Taylor reviewed the weekly calendar (filed).

**C. TOPIC(S)**

C-1 "Lodi Care Package Program"

City Manager Flynn reported that while current programs are in place, staff is addressing the Council to obtain guidance toward formalizing and standardizing programs to provide financial assistance to customers who are on fixed incomes and/or have hardships which make it difficult for them to pay for City services.

Electric Utility Director Vallow stated that the inevitable cost of providing services and the recent energy crisis have caused a large segment of the population to be impacted by rate increases. Some customers are annoyed by this, and some customers simply cannot afford to pay for services. While Lodi Electric Utility is mandated and obligated to offer assistance to customers that are below existing Federal Income Guidelines (FIG), other utility assistance programs such as water, wastewater, and refuse are not as clearly defined.

Rob Lechner, Customer Services and Programs Manager, reviewed his overhead presentation regarding a proposed program offering combined assistance entitled, "Lodi CARE" (filed). A partnership has been created by the City of Lodi Electric Utility, Public Works, and Finance Departments, along with Central Valley Waste Services and the Lodi Salvation Army. The program would offer assistance to low-income customers, paying their combined electric, water, wastewater, refuse bill (cap at \$125) once within a six-month period, a maximum of two times in 12 months (cap at \$250 per family per year). The \$105,000 budget estimate allows for the program to assist 336 families twice annually, or 672 families if each received one grant annually. Mr. Lechner related that customer/client relief information was formulated at \$125 maximum based on analyzing historical electric usage for the approximately 1,550 current low-income customers and the average amount charged to resident customers for water, wastewater, and refuse services.

The partnership recommends this item be brought before Council for consideration on May 19, 2004, with a program initiation date of June 1, 2004. Mr. Lechner explained that the proposed budget program would be \$105,000, broken down as follows: \$60,000 from Electric Utility (\$16,000 program administration, \$5,000 customer outreach and materials, \$39,000 electric utility relief component); \$30,000 Public Works water and wastewater relief components; and \$15,000 Central Valley Waste refuse relief component. The Lodi Salvation Army, as program administrator/coordinator, would work with the Finance Department to administer program funds.

Mr. Lechner explained that the Salvation Army was brought into the process and is being recommended to coordinate the program based on its experience as a leading organization providing care and services to those in need. The Salvation Army currently administers the PG&E Relief for Energy Assistance Through Community Help (REACH) program through 170 northern and central California offices and also administers the State/County Home Energy Assistance Program (HEAP) program. The proposed \$16,000 administrative fees paid to the Salvation Army would cover eligibility and screening of customers, phone and personal contact with applicants, and coordinating the billing system with the Finance Department. Eligibility screening may include requiring proof of income of all residents, proper identification of all resident occupants (driver's license, social security number), and other criteria mirroring HEAP and REACH program requirements. Following approval, the Salvation Army would report its findings and the amount of actual financial assistance to the Finance Department to initiate the appropriate transfer of funds and to the Electric Utility Department for follow-up. Either Mr. Lechner or Customer Services and Programs Coordinator Kathy Brown would then contact the customer to coordinate a free, in-home energy audit to assist and train residents in the use and conservation of energy and to provide additional information with regard to refuse reduction, recycling, and water/wastewater conservation opportunities.

Council Member Land asked how many programs customers can qualify for and how often they need have to requalify. He also shared his concern for support programs evolving into entitlement programs. Mr. Vallow explained that customers can qualify for the Single Household Alternative Rate for Energy (SHARE) and Senior Fixed Income (SFI) (for customers over age 62), as well as the recommended Lodi California Alternate Rates for Energy (CARE). While little changes with regard to eligibility or income for SFI customers, SHARE customer eligibility is reviewed about every two years. Lodi CARE recipients would be reviewed each time they applied so no maintenance monitoring would be necessary, only comparison monitoring at time of application. Mr. Vallow stated that customers can qualify for all of these programs. Council Member Land stated he would support the free, in-home energy audit and dissemination of information regarding other conservation ideas being mandatory, and confirmed that these visits would meet the criteria for outreach public benefit programs. Additionally, Council Member Land reported that statistics show that 17% of Lodi's population is in poverty level and Lodi is the second highest in San Joaquin County, with Stockton being first. Most families receiving assistance are mothers raising small children age 5 or under, and the majority of the problem is irresponsible fathers. He stated that while he cannot regulate social issues, he can help low-income families and seniors on fixed incomes with limited finances.

Mayor Hansen stated he sees the program as providing assistance should someone on very low income be further burdened by a financial hardship such as an illness or medical problem requiring new medications, making it a decision between paying their utility bill and getting the medication and care they needed. The program would give them the opportunity to apply for assistance in that type of crisis. Mr. Lechner supported Mayor Hansen's comments, interjecting that the Lodi CARE program would not impact customers currently participating in low-income assistance programs, but rather is geared to further assist families and individuals struggling, as well as helping customers cope with financial hardship or emergency situations. He stated he was surprised by Council Member Land's statistics regarding the poverty level in Lodi and its status in the county, and stated he is concerned that Lodi's high cost of rental properties and the lack of low-cost housing are major factors, especially for single parent and single-income households.

At the request of Council Member Howard, Mr. Vallow further explained that Lodi CARE is presented to supplement customers currently involved in low-income assistance programs but still have difficulty keeping up on their bills. Many end up having their utilities turned off, vacating the area, and leaving bills unpaid which must then be written off at year end. The program is not for those who will not pay their utility bill, but for those who cannot, either because of a low-income issue or due to an emergency or crisis situation.

Council Member Hitchcock stated she was in favor of the proposed verification process and supported the Salvation Army administering the program. She asked that specifics be provided outlining the criteria to be used to screen applicants to ensure eligibility and how the program will be monitored. Mr. Vallow shared that it will serve the City additionally to have the Salvation Army administering the program, since it can use the data collected in coordinating other programs to verify, monitor, and cross-check customer information. This pilot program is not an ongoing discounted rate program, but a more immediate, short-term solution to a crisis or emergency financial situation. He further stated that the City will learn much about the diversity and needs of the community through its partnership with the Salvation Army, and detailed that the dollars from the City to support the program will come from Public Works and Electric Utility mandated funding, and that Central Valley Waste will pay its portion of the program directly from its profits. Council Member Hitchcock stated she supports the City's alliance with the Salvation Army for customer support programs rather than giving the entire dollar amount which might be construed as the City making a donation.

Council Member Beckman stated that he is not comfortable with the City coordinating programs, but would consider giving the Salvation Army the \$105,000 estimated customer assistance budget to administer however it sees fit. Mr. Vallow stated that the City's billing system lacks the technical infrastructure to allow for that, and as a pilot program, the City wants a more hands-on approach in working with the Salvation Army to verify the effectiveness of the program, from the initial application to the in-home information and energy audits.

City Manager Flynn commented that prior to referring customers to existing programs, staff attempts to work with customers in a crisis situation to determine if they can delay payment or make payments over time to help them work through the crisis. The program comes into play when this process repeats and becomes a social issue that the City is not qualified to deal with. At that point the Salvation Army would step in with its experience and expertise to handle the situation. He described the program where citizens could donate funds to an account to assist other customers in need, with the Salvation Army regulating it; however, participation was low, perhaps due to poor communication. He stated that Lodi residents currently utilize several programs supported by the county, state, and PG&E, but there is a lack of communication regarding program availability. Mr. Vallow added that getting the word out is vital through literature, churches, civic groups, and networking, and staff believes that a check of the City's internal database will show that approximately 1/3 of those who apply for Lodi CARE will be qualified to participate in the SHARE program, but do not because they are unaware of its existence. This is another way of getting people involved and getting citizens the assistance they need.

Tom Sanchez, representing Central Valley Waste Services, stated it participates in programs such as Lodi CARE throughout the country and he is pleased to be involved in partnership with the City to assist customers and provide information to conserve energy and resources and to reduce refuse.

Serena Woods, representing the Lodi Salvation Army, described the qualification process currently performed in screening potential fund recipients. Customers must complete a prescreening form with all pertinent information, explain their situation and specific need for assistance and their emergency or crisis situation. An internal investigation of the application is completed, a follow-up phone call interview is made, and then a face-to-face interview of approximately 30 to 45 minutes is conducted, at which time the client must provide current proof of income, medical and miscellaneous bills, prescriptions, etc. that support their financial situation and application.

Public Works Director Prima provided copies and a short review of the City's current discount program application forms, as well as a draft recommendation for a Water/Wastewater/Solid Waste Utility Discount Program (filed). Mr. Prima stated he would return to Council on May 19, 2004, to provide an outline of staff recommendations, including

1) one unified set of criteria for program eligibility, 2) updated application forms to assist customers in providing complete and detailed information for program consideration, 3) program monitoring procedures with regard to continued eligibility and computer-generated billing to clearly indicate customer costs and program funding resources, and 4) funding estimates and budget sources. He stated that currently the Supplemental Security Income (SSI) or Supplemental Security Payments (SSP) applicant process is simple in that the customer completes it, SSI reviews and verifies information, and the form is returned to the City to begin customer assistance; however, it is limited in its assistance to the customer. In addition, billing information is currently listed as "other charges" and indicates various discounts, but provides no details regarding programs, funding, and specific discounts and charges to give a true and accurate picture of customer account activity. Additionally, discounts do not apply to the entire bill, and staff recommends that this be revised. Currently, market cost is not included, and the rate increase a few years ago for water wastewater rates has never been included in the discount. Mr. Vallow noted that many customers would under normal circumstances be eligible for assistance, but landlords often charge a flat rental fee including utilities, which negates the renters from applying for assistance.

Mayor Hansen preferred modifications to include offering customer discounts which apply to the total utility bill, not just a portion. He stated that when contacted by a citizen recently, they reported that their utility bill discount total was \$2.15. Mayor Hansen suggested that the percentage of the impact be reflected on the bill and that the statement modified with a breakdown of billing, discounts, and program assistance details.

Council Member Hitchcock stated she liked the SSI/SSP monitoring process for its efficiency and simplicity and would like to see the City's proposed process in detail to include qualifying new customers and auditing existing customers for continued program participation. She further stated that in qualifying for SHARE, which is based on federal income guidelines, she believes the City can help more people with more funds than through the SSI/SSP program, but also reflected that while even with all these opportunities, some customers will still not be eligible for assistance because they cannot provide the proper information for verification.

Council Member Land stated that if it were possible to retain the necessary information, a good way to learn someone's true income would be to review their federal income tax filing, which would show earned income, other income, and dividends. He further stated that in following FIG Financial Advisory Services, the City of Lodi may be entitled to have access to that information for verification of program eligibility.

Maxine Cadwallader, Revenue Manager stated that she is very supportive of the Salvation Army's involvement in administering the program because many citizens are discouraged and overwhelmed by the forms that accompany requests for assistance. She stated the follow-up calls and personal interviews conducted by the Salvation Army as part of the process will greatly assist the public and promote the program success.

**D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**E. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:20 a.m.

ATTEST:

Jacqueline L. Taylor  
Deputy City Clerk